SECTION 6: REVENUE
Add Encumbered Revenue

INTRODUCTION

Add Encumbered Revenue provides procedures for establishing encumbered revenue open items in AKSAS to record planned receipts. Planned receipts are amounts due the state from individuals, companies, and other government agencies for which the revenue is not recognized in funds/appropriations until receipts are collected. Encumbered revenues are maintained in AKSAS as encumbrance open items with revenue (credit) balances. The open item identifies the customer, bill for collection and other agency reporting references, and the financial coding defining how the revenue should be recorded.

Revenue that represents "earned" receipts should be recorded as an accounts receivable open item rather than an encumbered revenue. Refer to the *Alaska Administrative Manual (AAM) 45.040 - Accounts Receivable* and the procedure for *Add Accounts Receivable* in this Section for more information.

Encumbered revenue open items are recorded when Bills for Collection or other billing documents are submitted to individuals or firms doing business with the state to collect amounts owed. Encumbered revenue amounts are not included in the calculation of available fund and appropriation balances until the amount is received and deposited. The current balance of encumbered revenue is maintained in restricted and unrestricted revenue accounts and may be reported on through all reporting structures.

Encumbered revenues are liquidated by 210-10/11: Agency Receipt transactions that identify the encumbered revenue open item number and amount collected. When the agency receipt transaction processes, the financial coding in the encumbered revenue open item is used to record the agency receipt. Encumbered revenues may also be liquidated by agency journal entries. For more information, refer to *Add Agency Receipts* in this Section or to *Section 9: Journal Entries*.

Encumbered Revenue Detail Inquiry

Encumbered revenues are maintained in the Open Item File and can be viewed online through IO - Open Item Inquiry (enter EN in the OPEN ITEM TYPE field, select DETAIL, and enter the OPEN ITEM NUMBER on the Open Item Inquiry - Selection screen). All reference, financial, and other information from the processed add encumbered revenue transaction is displayed on the Encumbrance Detail Inquiry screen. The TOTAL AMOUNT from the add transaction is recorded as the ORIGINAL PLACED and initial CURRENT BALANCE of the encumbrance in the Open Item File. Since revenues have a natural credit balance, the amounts are displayed with a leading minus (-) sign. Transactions liquidating an encumbered revenue increase the TOTAL LIQUIDATIONS and reduce the CURRENT BALANCE of the open item.

Bill for Collection

A collection document is prepared using the statewide Bill for Collection (Form 02-472) available from the Department of Administration, Division of General Services and Supply, Forms Management or using a form specific to the agency. An agency's collection policy must be in accordance with *AAM 45.020 - Collection Policy* and *AAM 45.060 - Bill for Collection*.

A bill for collection is used to charge a debtor for amounts owed the state. Generally, a bill for collection represents the value of goods, services, and materials provided by the state on a fee, actual cost, or other reimbursable basis. It may also be used to charge a debtor for amounts owed for delinquent taxes. The bill for collection should include the financial coding to record the planned revenue: the collocation code identifying the fund/appropriation to which the revenue is recorded and the account identifying the revenue type (restricted or unrestricted revenue).

AKSAS TRANSACTIONS

115-10: Add Encumbered Revenue

FORMS

Bill for Collection (Form 02-472)

PROCEDURES

I. Prepare and distribute a Bill for Collection or other collection document.

A bill for collection is prepared to charge a debtor for amounts owed the state using the statewide Bill for Collection (Form 02-472) or a form specific to the agency. Refer to *Exhibit 6.A: Bill for Collection* for a sample of the statewide form. If a bill for collection is not required for this encumbered revenue transaction, go to Step II.

A. Complete a bill for collection, including the following information:

- Name and address of the department/division issuing the bill for collection.

- Name and address of the individual or vendor to whom the bill for collection is addressed.

- Name and phone number of the person in your agency to contact for questions, etc.

- Date the bill for collection is established.

- Date your agency provided the goods, services, materials, etc.

- Description of the goods, services, materials, etc. provided.

- Quantity, dollar amount charged per unit, type of unit, and total dollar amount of goods, services, materials, etc. provided.

- Total amount due the state by this individual or vendor.

- Address to which the remittance check should be sent.

- Name, title, phone number, and signature of the agency individual with billing authority.

- Financial coding to which the revenue will be recorded when received.

B. Distribute the Bill for Collection form as follows:

1. Send the original and one copy to the individual or company being billed, requesting that one copy be returned with the payment.

2. Use a second copy as the source document for adding an encumbered revenue open item.

II. Process a 115-10: Add Encumbered Revenue transaction.

For more information on entering this transaction, refer to the *115-10: Add Encumbered Revenue Screen* and *Field Entry Table* following this procedure.

A. From the AKSAS Main Menu, start (or restart) a financial batch. On the Financial Data Entry Menu:

    1. Enter **ER** (Encumbered Revenue) in the **SELECTION** field and **A** (add) in the **ACTION** field.

    2. If your agency uses an easytran shell for adding an encumbered revenue open item, enter the easytran number for the transaction in the **EASYTRAN NUM** field.

    3. Press <Enter> to display the 115-10: Add Encumbered Revenue transaction screen.

B. Enter data in the following fields, using the Bill for Collection or other billing document as the source document. For more detailed information on these fields, refer to *Section 4: Financial Transactions & Batch Processing*.

    1. **ENC REVENUE NUMBER** - Enter a seven-digit encumbered revenue number from your department's open item number log.

    2. **ADDITIONAL AUTH RD** - If this transaction requires additional authorization, enter the RD code of the person who will authorize this transaction.

    3. **DOCUMENT NUMBER -** Defaults to the batch and sequence number assigned by AKSAS. No entry necessary.

    4. **DATE DUE -** Enter the expected collection date of the revenue as **MM DD CCYY**.

    5. **SOURCE RD CODE -** Defaults to the AKSAS input (sign-on) RD code. If the default RD code is not authorized to record add encumbered revenue transactions, enter a SOURCE RD CODE as authorized according to department procedures.

    6. **DATE ESTABLISHED** - Defaults to the current date. If adding an encumbered revenue for a date prior to the current date, enter the date as **MM DD CCYY**.

    7. **TOTAL AMOUNT -** Enter the total encumbered revenue amount with a leading minus (-) sign.

    8. **SPREAD AMOUNT (Y/N) -** Defaults to **N** (enter dollar amounts by financial line). Enter **Y** to spread the TOTAL AMOUNT across all financial lines.

    9. **DESCRIPTION SHORT -** Enter a brief description, up to 20 characters, identifying the encumbered revenue as it should appear on reports. If left blank, this field defaults to the first 20 characters of the first line of the DESCRIPTION LONG field.

    10. **DESCRIPTION LONG -** Enter detailed descriptive information, up to 120 characters, for the transaction. The first 20 characters of the first line are used for reporting purposes if the DESCRIPTION SHORT field is left blank.

    11. **FISCAL PERIOD CODE -** Defaults to **C** (current fiscal year). If the transaction is not for the current year, enter **P** (prior fiscal year).

12. **LIQ RULE -** Defaults to **LN** (line number). May be changed to **FR** (fractional), **NB** (net balance), or **PL** (placed).

13. **DENOMINATOR** - If SPREAD AMT = Y and/or LIQ RULE = FR, enter the sum of the NMR fields as a positive number.

14. **RETENTION (Y/N)** - Defaults to **N** (no, do not retain this record on the Open Item File after all activity is complete). May be changed to **Y** (yes, retain this record).

C. Enter data in the **REFERENCE** line fields. Refer to *Section 4: Financial Transactions & Batch Processing* for more information about reference fields.

    1. **TYPE -** Enter appropriate reference types for this transaction.

    NOTE: For a list of reference types, press <PF12-Help> on the AKSAS Main Menu. On the System Table Inquiry screen, select VALID/MANDATORY REFERENCES and press <Enter>. In the ENTER OPEN ITEM TYPE field, enter EN and press <Enter> to display valid reference types.

    2. **REFERENCE NUMBER -** Enter an identifier associated with the reference TYPE.

    3. **AMOUNT -** Enter a dollar amount associated with the reference TYPE.

    4. **DATE -** Enter a date associated with the reference TYPE as **MM DD CCYY**.

    5. **COMMENTS -** Enter additional descriptive information for the reference line.

    6. Repeat Steps 1-5 for each reference line to be entered.

D. Enter data in the **FINANCIAL** line fields. Refer to *Section 4: Financial Transactions & Batch Processing* for more information about financial fields.

    1. **AMOUNT -** If SPREAD AMT = Y, leave blank. If SPREAD AMT = N, enter the dollar amount for this financial line with a leading minus (-) sign.

    2. **SY** - Defaults to the fiscal year associated with the FISCAL PERIOD CODE if no entry is made. If the default value is not correct, enter the two-digit set-up year associated with the collocation code.

    3. **CC** - Enter the eight-digit collocation code for this financial line.

    4. **PGM -** Enter a five-digit program code if required by your agency for this financial line.

    5. **LC** - Enter an eight-digit ledger code if required by your agency for this financial line.

    6. **ACCT -** Enter a five-digit restricted (50000 and LLs) or unrestricted (60000 and LLs) revenue account for the AMOUNT entered.

    7. **FY** - Defaults to the current federal fiscal year if no entry is made. If a federal fiscal year is required by your agency and the default value is not correct, enter the two-digit federal fiscal year.

8. **NMR** - If SPREAD AMT = N, leave blank. If SPREAD AMT = Y and/or LIQ RULE = FR, enter the percentage or portion of the TOTAL AMOUNT to be distributed to or liquidated from this financial line.

9. **LINE DESC** - If necessary, press <PF6> and enter additional descriptive information for the financial line.

10. Repeat Steps 1-9 for each financial line to be entered.

E. Press <Enter> to display online errors. Correct errors until the message NO ONLINE ERRORS TO DISPLAY is received. Press <Enter> again to submit the transaction for certification and processing. Refer to the *Appendix* for a list of online errors, warning messages, and corrective actions.

NOTE: Review any WARNING messages displayed. If these messages do not require correction, press <PF3> to override.

III. Submit the transaction for certification.

Add encumbered revenue transactions require certification. Submit the transaction and associated backup to the appropriate individual in your agency for certification according to department procedures. Refer to *Section 2: AKSAS Security & Authorities, Certifying Officer Authority* for more information.

IV. Verify the transaction processed.

For more information regarding batch maintenance, refer to *Section 4: Financial Transactions & Batch Processing*.

A. The next morning, check DM - Maintain Batches to determine if the add encumbered revenue transaction processed successfully. If the transaction did not process, view the transaction and determine the corrective action. If necessary, resubmit the corrected transaction for certification and processing. Refer to the *Appendix* for a list of error messages and corrective actions.

B. Once the transaction has processed successfully, review the Financial Transaction (FTP) Register to verify all processed information for the transaction is correct. If the results of the processed transaction are not as intended, correct the error using a 115-20: Change Encumbered Revenue transaction. Refer to the procedure for *Change Encumbered Revenue* in this Section.

V. Archive/file processed transactions.

Maintain copies of the bill for collection, processed transactions, and related backup according to department procedures.

ACCOUNTING ENTRIES

The following table shows the actual accounting entries recorded in AKSAS as a result of processing a 115-10: Add Encumbered Revenue transaction. The accounting entry with a financial source code of UD (user-defined) is entered in the transaction by the user. The EX (exploded) accounting entry is generated from the SMF Offset Account Table (SOA). The 900xxxxx (where xxxxx = fund number) collocation code (CC) in the EX line is a "fund-only CC" and is determined from the user-defined collocation code. The financial effect of each entry is indicated in parentheses ( ) after the debit or credit indicator in the first column.

A 115-10: Add Encumbered Revenue transaction records planned revenue for the fund/appropriation identified by the collocation code entered by the user. When the transaction processes, the accounting entries are recorded as posting type 04 and have no effect in the calculation of available appropriation balances. AKSAS generates an offsetting entry (EX) that clears the encumbered revenue through a revenue closing account, so the planned revenue has no effect on the fund associated with the user entered collocation code.

115-10: Add Encumbered Revenue

	Collocation Code	Account	Posting Type	Financial Source
Debit (decrease)	900xxxxx	50001 (Restricted Revenue - Closing Summary) 60001 (Unrestricted Revenue - Closing Summary)	04	EX
Credit (increase)	Entered by user	Restricted or Unrestricted Revenue	04	UD

115-10: Add Encumbered Revenue Screen

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 FDE 115-10:  ADD ENCUMBERED REVENUE                         B 1298859 S 0001

 ENC REVENUE NUMBER _____        ADDITIONAL AUTH RD _____
    DOCUMENT NUMBER _____                DATE DUE __ __ ____
      SOURCE RD CODE _____          DATE ESTABLISHED 6_ 1_ 2001
        TOTAL AMOUNT _____    SPREAD AMT(Y/N) N
  DESCRIPTION SHORT _____
   DESCRIPTION LONG   _____
                      _____
                      _____
 FISCAL PERIOD CODE C  LIQ RULE LN  DENOMINATOR _____  RETENTION(Y/N) N
 REF TYPE    REFERENCE NUMBER         AMOUNT          DATE    MORE REFS N
   1 ___  _____  _____  __ __ ____
       COMMENTS _____
   2 ___  _____  _____  __ __ ____
       COMMENTS _____
   3 ___  _____  _____  __ __ ____
       COMMENTS _____
 FIN    AMOUNT     SY    CC    PGM     LC    ACCT  FY NMR   MORE FINS N
   1 _____ __ _____ _____ _____ _____ __ ___
   2 _____ __ _____ _____ _____ _____ __ ___
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
 UPDAT QUIT         SUBMT ERRS  BASE  FINS  REFS       PFKYS        HELP
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SCREEN ACCESS

Use the 115-10: Add Encumbered Revenue transaction screen to establish an encumbered revenue open item in AKSAS.

1. At the AKSAS Main Menu, enter **DS** (Start/Restart Batch) in the **SELECTION** field. Press <Enter> to display the Start/Restart Batch - Selection screen.

2. At the Start/Restart Batch - Selection screen, enter **F** (Financial) in the **BATCH TYPE** field. Press <Enter> to display the Financial Data Entry Menu.

3. At the Financial Data Entry Menu, enter **ER** (Encumbered Revenue) in the **SELECTION** field.

4. Enter **A** (Add) in the **ACTION** field. Press <Enter> to display the 115-10: Add Encumbered Revenue transaction screen.

115-10: Add Encumbered Revenue Field Entry Table

Field Name	Field Value	Comments
FDE	DISPLAY ONLY	Displays the financial data entry transaction code for this open item.
B	SYSTEM-ASSIGNED	System-assigned batch number.
S	SYSTEM-ASSIGNED	System-assigned sequence number for this batch.
ENC REVENUE NUMBER	REQUIRED Enter a 7-digit encumbered revenue open item number from your department's open item log as **DDYNNNN**, where **DD** Department number **Y** Last digit of chart of accounts year **NNNN** Number assigned by agency	Identifying number used to change, liquidate, and report on an encumbered revenue open item.
ADDITIONAL AUTH RD	OPTIONAL If this transaction requires additional authorization, enter the RD code of the person who will authorize this transaction.	Identifies an approval authority associated with this add encumbered revenue transaction.
DOCUMENT NUMBER	REQUIRED, defaults to the batch and sequence number assigned by AKSAS if left blank. An agency-assigned processed document identifier, up to 13 alphanumeric characters, may be entered.	Processed document identifier.
DATE DUE	OPTIONAL Enter the expected collection date of the revenue as **MM DD CCYY**.	Expected collection date of the open item.
SOURCE RD CODE	REQUIRED, defaults to the AKSAS input (sign-on) RD code. If the default RD code is not authorized to record add encumbered revenue transactions, enter a SOURCE RD CODE as authorized according to department procedures.	Identifies the person authorized to record this transaction.
DATE ESTABLISHED	REQUIRED, defaults to the current date. If the default value is not correct, a prior date may be entered as **MM DD CCYY**.	Date the open item is created.
TOTAL AMOUNT	REQUIRED Enter the total dollar amount of this open item with a leading minus (-) sign. Up to 13 digits (11 to the left of the decimal, 2 to the right).	This field must equal the sum of the financial line AMOUNT fields.
SPREAD AMT (Y/N)	REQUIRED, defaults to **N**. **N** No, do **not** spread the TOTAL AMOUNT. Enter dollar amounts by financial line. **Y** Yes, spread the TOTAL AMOUNT across all financial lines.	Indicates whether the TOTAL AMOUNT should be entered by financial line (N) or automatically spread across all financial lines (Y). Values entered in the DENOMINATOR and NMR fields determine how the amount is distributed.

115-10: Add Encumbered Revenue Field Entry Table

Field Name	Field Value	Comments
DESCRIPTION SHORT	REQUIRED, defaults to the first 20 characters of the first line of the DESCRIPTION LONG field if left blank. Enter up to a 20-character description of this open item as it should appear on reports.	A description of the open item as it should appear on reports.
DESCRIPTION LONG	REQUIRED Enter descriptive information, up to 120 characters, for this open item. The first 20 characters are used on reports if the DESCRIPTION SHORT field is left blank.	Additional descriptive information for the transaction.
FISCAL PERIOD CODE	REQUIRED, defaults to **C**. **C** Current fiscal year **P** Prior fiscal year	Identifies the state fiscal year (chart of accounts year) associated with this transaction.
LIQ RULE	REQUIRED, defaults to **LN**. **LN** Line number **FR** Fractional **NB** Net balance **PL** Placed Refer to *Section 4: Financial Transactions & Batch Processing* for additional information.	Identifies how liquidations of this open item are distributed across financial lines.
DENOMINATOR	REQUIRED, if SPREAD AMT = Y and/or LIQ RULE = FR. Enter the sum of the NMR fields, up to 5 digits, as a positive number.	With the NMR, defines the percentage or portion of the TOTAL AMOUNT to be distributed to or liquidated from this financial line.
RETENTION (Y/N)	REQUIRED, defaults to **N**. **N** No, do **not** retain this open item on the Open Item File. **Y** Yes, retain this open item.	If this indicator is set to N, the open item is deleted from the Open Item File once the balance is zero. The open item is deleted based on the number of days from the date of last activity as specified on the SMF Open Item Purge Parameters Table (SPO).
Reference Line Fields - The following fields contain reporting cross-reference information. Reference fields allow access to open item information by identifiers other than the open item number, such as grant, letter of credit, or vendor number. For additional information about reference fields, refer to *Section 4: Financial Transactions & Batch Processing*.		
REF	DISPLAY ONLY	Reference line number.
TYPE	OPTIONAL Enter reference types for this transaction. For a list of reference types, press <PF12-Help> on the AKSAS Main Menu. On the System Table Inquiry screen, select VALID/MANDATORY REFERENCES and press <Enter>. In the ENTER OPEN ITEM TYPE field, enter EN and press <Enter> to display valid reference types.	Identifies a reporting reference such as grant, letter of credit, or vendor number.
REFERENCE NUMBER	REQUIRED, if reference TYPE is entered. Enter an identifier, up to 22 alphanumeric characters, associated with the reference TYPE.	The identifier associated with the reference TYPE. If the reference TYPE refers to an AKSAS file (RD code, vendor number, etc.), AKSAS verifies the REFERENCE NUMBER entered is valid.

115-10: Add Encumbered Revenue Field Entry Table

Field Name	Field Value	Comments
AMOUNT	OPTIONAL Enter a dollar amount associated with the reference TYPE. Up to 11 digits (9 to the left of the decimal, 2 to the right).	Dollar amount associated with the reference line.
DATE	OPTIONAL Enter a date associated with the reference TYPE as **MM DD CCYY**.	Expected collection date, date of billing, or requested drawdown date associated with the reference line.
COMMENTS	OPTIONAL Enter additional descriptive information, up to 30 characters, for the reference.	Additional descriptive information for the reference such as vendor name, project, or grant number.
Financial Line Fields - The following fields define the accounting structures to which the revenue is recorded when collected. Since revenue accounts carry natural credit balances, encumbered revenue amounts are entered with a leading minus (-) sign. For additional information about financial fields, refer to *Section 4: Financial Transactions & Batch Processing*.		
FIN	DISPLAY ONLY	Financial line number.
AMOUNT	REQUIRED If SPREAD AMT = Y, leave blank. If SPREAD AMT = N, enter the dollar amount with a leading minus (-) sign. Up to 11 digits (9 to the left of the decimal, 2 to the right).	The dollar amount associated with this financial line. The financial line AMOUNTs must sum to the TOTAL AMOUNT.
SY	REQUIRED, defaults to the fiscal year associated with the FISCAL PERIOD CODE if no entry is made. If the default value is not correct, enter the 2-digit set-up year associated with the collocation code.	Identifies the set-up year associated with the collocation code. The set-up year must be valid for the FISCAL PERIOD CODE entered.
CC	REQUIRED Enter the 8-digit collocation code for this financial line.	With the set-up year, identifies the accounting structure (fund, appropriation, organization, internal program) for this financial line.
PGM	OPTIONAL Enter a 5-digit program code if required by your agency for this financial line.	Identifies the external program for this financial line.
LC	OPTIONAL Enter an 8-digit ledger code if required by your agency for this financial line.	Identifies a combination of project, contract, and/or grant for this financial line.
ACCT	REQUIRED Enter the 5-digit restricted (50000 and LLs) or unrestricted (60000 and LLs) revenue account for the AMOUNT entered.	Identifies the account to which this financial line will be recorded.
FY	REQUIRED, defaults to the current federal fiscal year if no entry is made. If a federal fiscal year is required by your agency and the default value is not correct, enter the 2-digit federal fiscal year.	Identifies the federal fiscal year if a federal program is associated with this financial line.

115-10: Add Encumbered Revenue Field Entry Table

Field Name	Field Value	Comments
NMR	REQUIRED, if SPREAD AMT = Y and/or LIQ RULE = FR. Enter the percentage or portion of the TOTAL AMOUNT to be distributed to or liquidated from this financial line.	With the DENOMINATOR, defines the percentage or portion of the TOTAL AMOUNT to be distributed to or liquidated from this financial line.
LINE DESC	OPTIONAL Press <PF6> and enter additional descriptive information, up to 40 characters, for the financial line.	Additional descriptive information for the financial line such as project, grant, or bill number.